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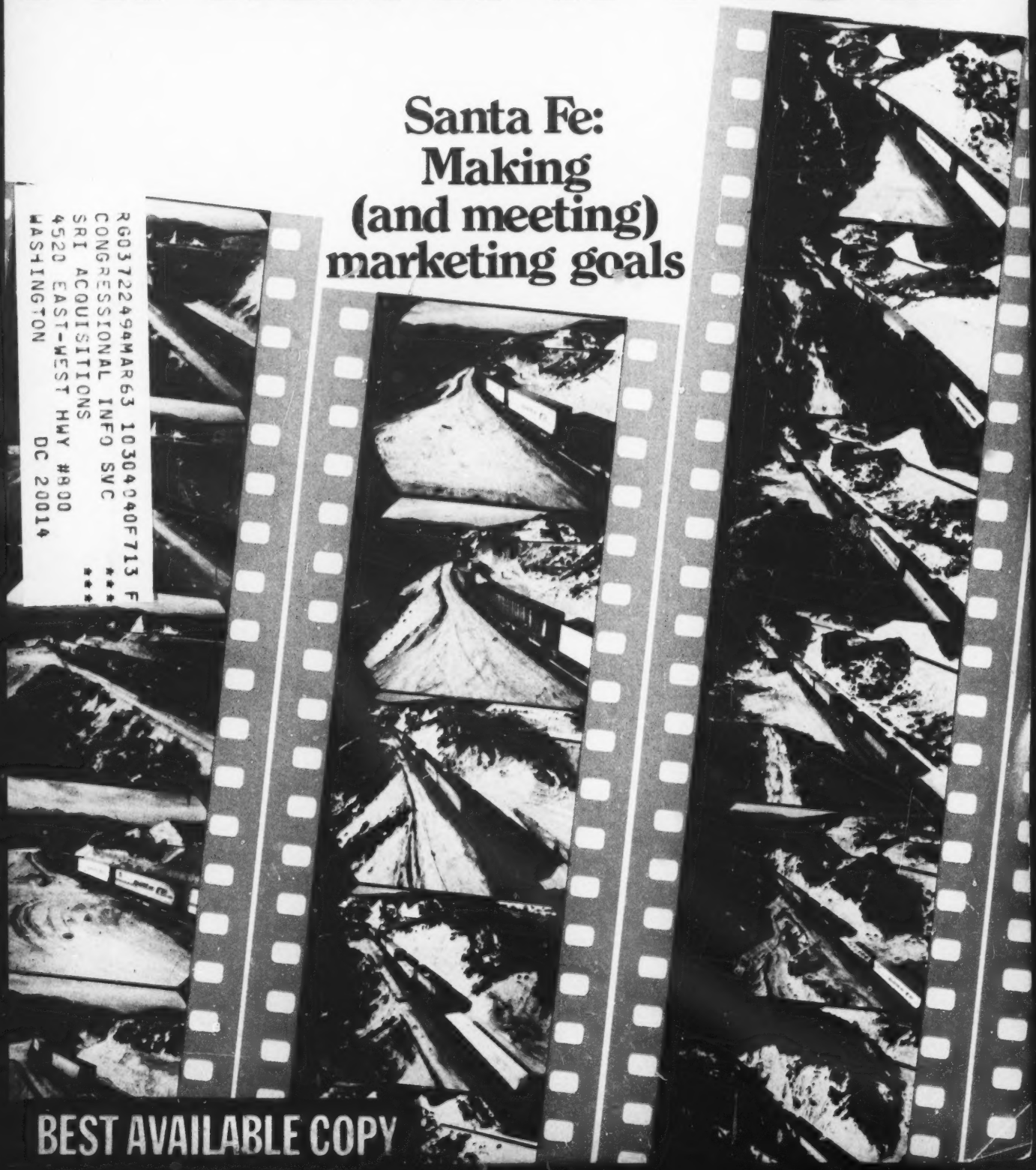
L&D prevention: New methods are paying off

June 29, 1981

RAILWAY AGE

Santa Fe: Making (and meeting) marketing goals



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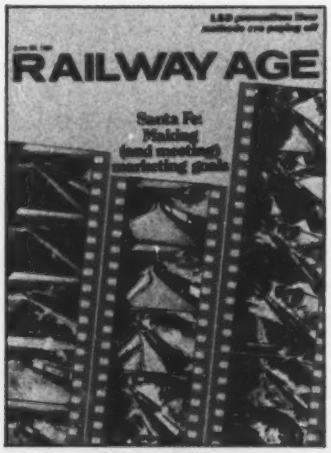
RAILWAY AGE
June 29, 1981

FEATURES



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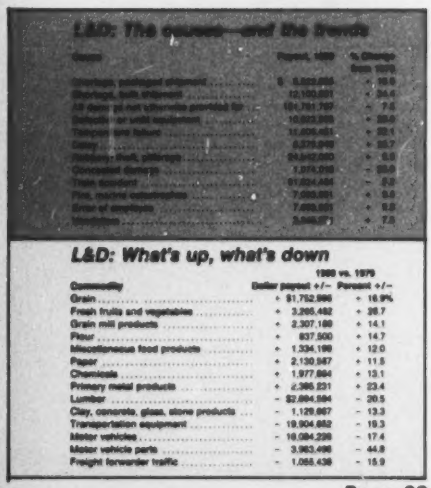

L&D: What's up, what's down

1980 vs. 1979

Commodity	Dollar payout +/–	Percent +/–
Grain	+ $1,752,996	+ 16.9%
Fresh fruits and vegetables	+ 3,266,482	+ 36.7
Grain mill products	+ 2,307,189	+ 14.1
Flour	+ 837,500	+ 14.7
Miscellaneous food products	+ 1,334,199	+ 12.0
Paper	+ 2,130,947	+ 11.5
Chemicals	+ 1,977,884	+ 13.1
Primary metal products	+ 2,365,231	+ 23.4
Lumber	– $2,884,594	– 20.5
Clay, concrete, glass, stone products	– 1,129,667	– 13.3
Transportation equipment	– 19,904,652	– 19.3
Motor vehicles	– 16,084,229	– 17.4
Motor vehicle parts	– 3,963,496	– 44.8
Freight forwarder traffic	– 1,068,436	– 15.9

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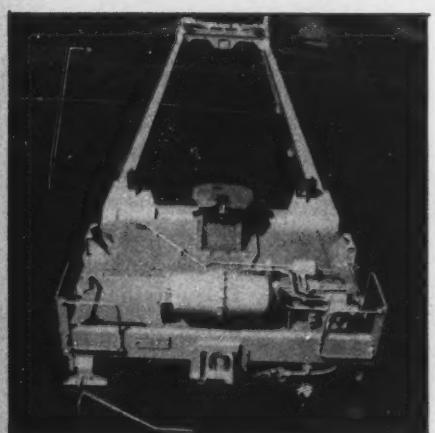

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26 Santa Fe: Making (and meeting) marketing goals
Goal-setting is no idle exercise on this railroad. It involves detailed planning that begins in the boardroom and spreads far afield before it becomes final. As a result, traffic forecasts tend to be close on target.

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The 1980 figures are now out—and they look good. The ratio of payout-to-revenues, 1.08%, was the best in 30 years. More good news may be on the way as L&D prevention specialists continue to refine the tools of their trade.

34 BACKPACKER: Youngstown's intermodal entry
A car that can go anywhere, in unlimited interchange, is YSD's goal, and BACKPACKER appears to be just that. Now in prototype form, it involves well-type construction and maximum use of time-tested components.

38 Getting the government out of the railroad business
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44 Railview: Trailer Train's next 25 years.
"Trailer Train's first quarter century," says its president, Curtis D. Buford, "has laid an excellent foundation for its second quarter-century. But we move out into unsignalled territory...."

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Cover: Ten-Pack trains like this one play a big role in one of Santa Fe's marketing success stories—intermodal traffic.

Conrail: Both sides retreat

Conrail is going to be sold. It will be divested of commuter trains, relieved of certain labor obligations, provided with up to $375 million in additional aid, and then moved into the private sector.

That is the gist of compromise legislation taking shape in Congress. Democrats and Republicans alike have retreated from hard-line positions that had been hotly contested since the release of various recommendations on Conrail April 1 (*RA*, April 13, p. 59).

No longer are Republicans insisting on a quick sale that many feared would result in serious disruptions of service and the cherry-picking of choice Conrail lines. Democrats, meanwhile, have significantly reduced proposed funding levels and conceded the Administration's demand that a date—or dates—be set for the railroad's sale, either as a corporate entity or in pieces.

But while the essential elements of compromise were contained in three separate Senate and House bills, there remained, in mid-June, some important differences to be ironed out. Labor found the Senate compromise bill unacceptable. And the Reagan Administration found that one of two House bills would unduly prolong the life of Conrail as a ward of the state and said it would invite a White House veto.

Beginning June 1, 1982, proposed Senate legislation would allow the Secretary of Transportation to offer the railroad for sale in one piece. If six months later the sale had not been arranged and Conrail was judged by the United States Railway Association to be still unprofitable, the DOT secretary could offer individual lines to bidders. But if USRA judged Conrail to be profitable on Dec. 1, 1982, the railroad would have to be offered as a unit until Aug. 1, 1983. After that date it could be sold whole or piecemeal.

In the House, key Democrats and Republicans agreed on a slightly different alternative to the Administration's original breakup plan. The House bill was authored by Representatives Norman Lent and Gary Lee, both New York Republicans, and backed by Representative James Florio, the influential New Jersey Democrat who heads the Surface Transportation Subcommittee. They were chiefly concerned that not enough time was provided in the Senate legislation for Conrail to benefit from the elimination of commuter and labor burdens.

Thus a schedule longer than that in the Senate's bill was specified. Conrail would be preserved until at least the end of 1983. Only if the railroad missed goals set for review at the time of semi-annual payments by USRA would the breakup of Conrail be allowed. It is this bill that the Administration opposes.

Another bill, offered by Representative James Broyhill (R.-N.C.), would permit the sale to take place about one year earlier than the Lent-Lee bill. It would provide only $275 million in interim funding, versus $375 million in the Lent-Lee package.

Title V employee protection will be replaced, under both House and Senate legislation, by lump-sum payments not to exceed $25,000 per terminated employee.

One vital point that has been tackled by the legislators is the question of how to define profitability. A Senate Democratic staff member said that use of the ICC's formula seemed unfair since even many "successful" roads don't do very well under that criterion. Instead, profitability has been defined as Conrail's ability to generate a positive net income on its revenues, with certain exceptions. Excluded from this determination would be payments for labor protection and some obligations to the government. The staff member explained, "We wanted a definition that we thought Conrail could reasonably meet."

Earnings soar in first quarter

Revenues continued to rise faster than expenses in this year's first three months, with the result that Class I railroads were able to report one of their most profitable first quarters in recent memory. They posted ordinary (net) income totaling $636.4 million, compared with $263.0 million in the corresponding 1980 quarter. Operating revenues rose to $7.7 billion in the 1981 period from $6.7 billion a year ago. Operating expenses rose to $7.0 billion from $6.3 billion in 1980.

Even the trouble-plagued Eastern District railroads were able to report a profit of $66.8 million in this year's first quarter, compared with a deficit of $2.9 million last year. Western railroads earned ordinary income of $419.4 million, up from $162.8 million. Southern roads reported income of $150.2 million, up from $103.1 million last year.

The rate of return on net investment for the 12 months ended March 31 was 4.92%, up from 3.41% a year ago.

CLASS I RAILROADS IN THE UNITED STATES
For the First Quarter

	1981 (millions)	1980 (millions)
Operating Revenues	$ 7,659.6	$ 6,673.3
Operating Expenses	6,980.3	6,289.4
Income Taxes on Ordinary Income	125.3	59.1
Provision for Deferred Taxes	112.2	72.2
Net Railway Operating Income		
United States	466.9	258.4
Eastern District	40.1	Def. 13.5
Southern District	142.2	109.1
Western District	283.6	162.8
Rate of Return on Net Investment[1]		
United States	4.92%	3.41%
Ordinary Income[2]		
United States	636.4	263.0
Eastern District	66.8	Def. 2.9
Southern District	150.2	103.1
Western District	419.4	162.8

[1] For 12 months ended March 31 (preliminary)
[2] Income before extraordinary items
Def.—Deficit

L&D prevention

Something to cheer about

Among railroad freight-loss-and-damage-prevention specialists, morale these days ought to be pretty high. Why?

—Despite inflation, freight-claim payout last year actually went down. For U.S. roads alone, payout in 1979 was more than $287.1 million. In 1980, it was $284.5 million. For U.S., Canadian and Mexican roads combined, payout dropped from $328 million to $324.5 million.

—The ratio of payout-to-revenues, regarded by prevention experts as the key number, dropped sharply, from 1.22% in '79 to 1.08% in '80. That was the lowest ratio recorded in 30 years and continued the trend that took shape during the past decade after the ratio peaked at 1.97% in 1970.

—The number of new claims filed in 1980 totaled just 1,548,898. That was a drop of 26.7% from 1979 levels. It was the lowest new-claim number in 47 years.

—For the first time, the AAR's Freight Claim and Damage Prevention Division had supplier exhibits in conjunction with its annual meeting. With about a dozen and a half exhibitors, it wasn't a huge show. But it was a good blend of familiar names—Portec, Signode, Aeroquip, for example—and names that aren't exactly household words.

—Perhaps most important of all, for the long run, loss-and-damage-prevention people may be on their way to having a tool that will make it possible for them to do a far more precise job of determining what causes damage and what can be done to prevent it. The tool: A simulator, not unlike the one that's been installed at the DOT Test Center at Pueblo, Colo.

● **"Irrefutable testing."** What the L&D-prevention people have in mind is an electro-hydraulic rail-vehicle simulator that will rock, roll, shake and otherwise actuate a railcar to mimic over-the-road conditions. As the Damage Prevention Committee put it in its proposal, "used in a laboratory setting along with an adjacent impact test track, irrefutable testing will result. The simulator will successfully overcome the serious limitations of present damage-prevention testing, which is basically reduced to an origin-destination inspection process and pass/fail judgments based upon those inspections."

The simulator, the committee says, "will remove any question of test validity by allowing for repeatability and for duplication of the railroad environment."

In addition, operating costs could be reduced: "Test control will be regained through reducing time-consuming and costly field testing. For example, one 25-car field test under the present system accrued a conservative cost estimate of $14,050 in personnel wages and travel expenses. This same test could be expected to be conducted on the simulator at a cost of about $4,720. The substantial reduction comes from the fewer number of tests required in order to reach a definitive conclusion, the fewer man-hours required and the lack of associated expenses. Deficiencies in load design, packaging and restraint systems will be observable throughout testing. Manpower productivity will increase and the expertise of our engineering staff will be far better utilized."

The simulator, the committee notes, "will also make possible a wide range of research in dynamics such as car stability, car suspension, carbody structural analysis and, to a lesser extent, fatigue and approval testing. Existing facilities are not capable of meeting all of these requirements."

So far as the Damage Prevention Committee is concerned, the simulator proposal "is one of the most exciting projects the DPC has had in some time. It contains the possibility of not only changing our approach but also of dramatically improving our results. This will have a direct benefit for the carriers in terms of reduced payments. Perhaps more important, it will benefit our customers through reduced damages and thus make the railroads more competitive with other forms of transportation. This alone would probably justify the acquisition of such a device."

Where does the proposal stand? It's been approved by the Management Committee of the FC&LDP Division and sent up to the vice president-Operations and Maintenance Department of the AAR; at the same time, an alternative is being looked at, one which would involve modification of the DOT Pueblo simulator to make it suitable for L&D-prevention test work.

● **Approaching the magic 1%.** Putting a simulator to work, however, may be the big story to come from next year's meeting of the Division. This year, those 1980 numbers had to get the spotlight, as the railroad industry—just 10 years after flirting with a 2% ratio and a payout of almost $2 for every $100 of freight revenue—came within a whisker of the magic 1%.

Actually, a good number of carriers, large and small, are already under 1%. Among major roads, that list for 1980 includes Canadian Pacific, Santa Fe, Florida East Coast, Seaboard Coast Line, Kansas City Southern, Southern, Norfolk & Western, Burlington Northern, Soo Line, Rio Grande and the railroad that checked in with the lowest number among the majors, the Chesapeake & Ohio part of Chessie, at 0.583%.

There are, of course, some major coal-haulers in that elite group, and coal isn't all that susceptible to damage or even loss. But as Burlington Northern points out, if you take its 1980 ratio of 0.626% and then factor out the coal traffic, it still comes in at a very respectable 0.85%. And, BN President Richard C. Grayson notes, BN is a good example of what can be done if the effort is made: In 1971, the first full year of post-merger BN operation, its ratio was 1.98%, a penny above the industry record-high set the year before. Dick Grayson translates ratios into dollars: "Had we maintained that dismal ratio, last year we would have paid out $50 million in claims. As it was, we paid out $18.2 million. Naturally, we'd like to have seen that $18.2 million added to our bottom line. But paying $18.2 million is considerably better than paying $50 million. And we're improving each year."

Too, the L&D-prevention effort looks even better when inflation is taken into account. For instance, the statisticians have figured that if you apply 1979 and 1980 Producer Price Index numbers to the payout totals, you find that the decrease in payout was more than $43 million, or 13.1%, rather than the $3,496,230, or 1.1%, indicated when the totals are stated in actual dollars.

● **The traffic mix factor.** Before everybody decides to go out for a long lunch, however, there are a few numbers to consider.

For one thing, 1980 was a horrendous year for the automobile industry. Carloadings reflected that. Loadings of vehicles and equipment fell by 24%. L&D payout on vehicles dropped by only 17.4%, although payout on motor vehicle parts really went down, by 44.8%. Overall, payout on auto-industry-related claims declined by roughly $20 million, and the commodity-categories which had accounted for 30.9% of total payout in 1979 accounted for 25% last year. Payout, L&D-prevention people will acknowledge, is still far too high—but it's being worked on, and results are beginning to show up.

Then, there are other numbers related to traffic increases. Railroads last year did a good business in grain, coal and perishables. Payout due to shortage-bulk shipment went up by 34.4%, temperature-failure payout rose by 32.1% and claims

L&D: The causes—and the trends

Cause	Payout, 1980	% Change from 1979
Shortage, packaged shipment	$ 6,522,856	+ 18.9
Shortage, bulk shipment	12,100,831	+ 34.4
All damage not otherwise provided for	151,761,797	− 7.5
Defective or unfit equipment	10,623,965	+ 20.0
Temperature failure	11,806,451	+ 32.1
Delay	8,375,048	+ 20.7
Robbery, theft, pilferage	24,842,080	+ 5.5
Concealed damage	1,074,018	− 26.6
Train accident	81,824,484	− 5.2
Fire, marine catastrophes	7,083,961	+ 9.6
Error of employee	7,083,961	+ 9.6
Vandalism	3,246,271	+ 7.5

L&D: What's up, what's down

Commodity	1980 vs. 1979 Dollar payout +/−	Percent +/−
Grain	+ $1,752,996	+ 16.9%
Fresh fruits and vegetables	+ 3,265,482	+ 26.7
Grain mill products	+ 2,307,189	+ 14.1
Flour	+ 837,500	+ 14.7
Miscellaneous food products	+ 1,334,199	+ 12.0
Paper	+ 2,130,567	+ 11.5
Chemicals	+ 1,977,864	+ 13.1
Primary metal products	+ 2,395,231	+ 23.4
Lumber	− $2,694,584	− 20.5
Clay, concrete, glass, stone products	− 1,129,667	− 13.3
Transportation equipment	− 19,904,652	− 19.3
Motor vehicles	− 16,084,228	− 17.4
Motor vehicle parts	− 3,963,496	− 44.8
Freight forwarder traffic	− 1,055,438	− 15.9

related to the provision of defective or unfit equipment climbed by 20%. Even so, payout in these three categories added up to just about $35 million, considerably less than half of the payout on motor vehicles alone.

Next, look at year-to-year commodity comparisons. In the breakout, 40 specific commodity categories are listed for which 1980 payout was $1 million or more. In only nine of those categories did payout go down—soybeans, whiskey, tobacco products, plywood or veneer, flat glass, freight forwarder traffic, shipper association traffic and, of course, motor vehicles and motor vehicle parts.

In terms of L&D-cause categories, there were ups and there was downs.

Payout because of shortages in both packaged and bulk shipments was up, up by quite a bit on a percentage basis although together these two categories account for less than 6% of total payout.

The catch-all category, all damage not otherwise provided for, was down, with the reduction in claim-payout on motor vehicles accounting for more than the net decrease.

Payout because of defective or unfit equipment climbed by 20% from 1979 levels. Claims on grain traffic accounted for about half of the dollar increase.

Temperature failure? It was up, too, with claims on fresh fruits and vegetables and on frozen fruits and vegetables mostly responsible.

Then, there was the train-accident category. Reflecting improvements in track and equipment maintenance, payout was down by 5.2%, though it still represented 25.2% of total payout.

● **Theft and vandalism.** And finally, among major cause-categories, there were increases in the two "outside" causes—robbery-theft-pilferage and vandalism. Stealing pushed claim payout up by 5.5%, vandalism was up by 7.5%. Together, these two cause-categories have been on the rise and are getting closer to accounting for 10% of the total claim bill. And, even with motor-vehicle traffic down, vandalism to cars and trucks accounted for most of the payout increase in that category. As for stealing, maybe the results for '80 reflected the economy: Food and kindred products claim-payout went up by more than $860,000, with substantial increases in payout for miscellaneous food products, beer and seafoods.

Overall, most of the credit for the declines in payout and in ratio have to go to two things: The commodity-by-commodity approach to damage-prevention which has been taken and the improvement in plant and equipment which has helped to produce a 26% cut in the number of derailments over the past two years.

Currently, the Damage Prevention Committee has eight sub-groups working in specific areas—grain; food and kindred products; plywood, lumber and wood products; paper; clay, concrete and stone products; motor vehicles; primary metal products; and research and testing.

Of these, perhaps the most significant—in terms of the potential for reducing damage and payout—may be the effort devoted to movement of motor vehicles.

That effort started with an audit of origin ramps (*RA*, Nov. 24, 1980, p. 19) and was completed with about 50 origin points covered. The program, L&D-prevention people say, "was highly successful, in the eyes of both the railroads and the vehicle manufacturers. It not only evaluated and ranked individual ramps, but it also, on the positive side, resulted in corrective action. Those who were skeptical when the program began have, almost to a person, been converted. The origin program is now being followed by a destination-ramp audit program. These audits have a two-fold purpose—to evaluate the operation of the destination ramps and recommend improvements and to evaluate inbound loads as a means of following up on the origin audits."

Is the motor-vehicle program one that can be carried over into other commodity areas? AAR and the DPC think it is. Currently, a sub-committee is trying to apply some of the lessons learned on cars and trucks to the prepared-food-and-kindred-products area. This group is in the process of developing a prevention program which will include structured warehouse audits conducted cooperatively by the carrier involved in the traffic, the AAR staff and the customer. ■

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A RAILWAY AGE SERVICE PAGE

REVENUES AND EXPENSES OF RAILWAYS

Fourth quarter figures of calendar year 1980

(Dollar figures are stated in thousands: i.e., with last three digits omitted)

		Operating revenues				Operating expenses: Way & structures			Operating expenses: Equipment						Operating ratio		Income after fixed charges		Net Ry. operating income	Net income	
		Freight	Other	Total 1980	Total 1979	Total 1980	Total 1979	Deprec.	Total 1980	Total 1979	Deprec.	Total 1980	Total 1979		1980	1979	1980	1979		1980	1979
Amtrak	3 mos.	–	295,427	295,427	276,782	24,046	16,040	895	84,650	71,210	14,493	299,995	243,142		101.54	87.84	(20,007)	19,067	(4,567)	(20,007)	19,067
	12 mos.	–	1,105,413	1,105,413	1,012,279	88,329	67,580	8,267	347,225	260,784	54,269	1,175,712	983,519		106.35	98.14	(108,526)	(20,911)	(70,296)	(108,526)	(20,911)
Atchison, Topeka & Santa Fe	3 mos.	579,501	12,914	592,415	522,555	80,786	61,110	3,410	116,998	112,577	20,456	499,100	470,917		84.2	90.1	95,607	51,151	68,928	70,966	43,068
	12 mos.	2,156,790	47,693	2,204,483	1,872,620	351,776	313,910	13,069	462,587	406,390	79,234	1,976,601	1,705,303		89.7	91.1	214,384	158,618	–	162,930	128,036
Baltimore & Ohio	3 mos.	247,166	7,464	254,660	243,333	40,826	37,624	1,726	52,642	56,312	8,365	228,365	219,139		89.7	90.1	21,066	25,649	–	14,972	22,375
	12 mos.	913,365	32,596	945,961	922,248	179,784	160,005	6,833	208,749	216,806	29,034	869,353	858,272		94.0	93.1	41,404	61,465	51,186	34,629	55,474
Bessemer & Lake Erie	3 mos.	23,440	3,150	26,590	31,737	2,642	4,063	686	2,304	6,898	1,079	17,468	24,170		65.69	76.15	10,267	8,994	5,299	6,444	3,412
	12 mos.	97,865	11,985	109,871	121,449	13,830	13,979	2,729	14,788	23,018	4,695	74,622	83,622		67.91	68.85	38,805	40,344	17,883	21,435	19,883
Boston & Maine	3 mos.	27,635	1,696	29,331	27,689	4,849	4,759	262	6,715	8,700	(86)	26,183	29,155		89.3	105.4	3,995	(1,562)	3,208	925	(4,235)
	12 mos.	107,564	7,472	115,036	108,310	21,156	20,152	1,065	28,707	31,819	1,481	111,404	110,862		96.8	102.4	6,123	(976)	3,868	(4,802)	18,187
Burlington Northern	3 mos.	804,812	27,065	831,897	888,077	161,069	137,901	5,543	178,337	147,704	16,913	757,125	652,467		91.01	94.82	89,739	45,161	49,862	64,804	49,779
	12 mos.	2,686,251	96,451	2,982,702	2,446,402	580,046	508,738	21,369	637,573	555,585	66,834	2,745,644	2,340,185		92.05	95.65	287,009	155,442	172,831	222,715	175,221
Chesapeake & Ohio	3 mos.	245,309	10,414	255,723	226,265	33,470	34,232	1,492	51,762	48,975	4,761	216,675	197,921		84.7	87.5	74,577	59,268	–	55,642	50,584
	12 mos.	904,078	44,929	949,007	812,635	158,631	137,009	5,896	193,275	183,696	15,292	830,420	748,294		87.5	92.1	179,055	135,080	71,355	131,620	116,567
Chicago & North Western	3 mos.	236,239	24,100	260,339	209,906	52,638	35,035	1,084	65,623	56,414	4,167	253,309	201,283		97.29	95.89	5,691	6,546	8,447	5,647	6,923
	12 mos.	844,636	91,099	935,736	747,442	193,708	150,634	3,936	239,691	213,514	16,934	922,174	766,363		98.55	102.53	(2,276)	(36,561)	17,348	(2,431)	(34,944)
Chicago, Milwaukee, St. Paul & Pac.	3 mos.	90,223	15,351	105,574	126,284	(107,856)	30,263	1,329	28,699	41,583	4,249	(15,836)	149,703		(14.8)	118.5	67,420	(21,781)	120,465	(34,566)	(21,781)
	12 mos.	336,553	53,405	389,957	455,446	91,379	105,437	3,265	134,191	172,507	18,642	488,995	574,361		125.4	126.1	(78,405)	(105,178)	(100,865)	(205,580)	(105,178)
Clinchfield	3 mos.	23,525	170	23,695	19,261	4,228	3,475	111	3,823	2,725	941	18,530	14,351		78.2	74.4	3,493	(235)	6,048	–	–
	12 mos.	66,747	1,118	89,866	66,207	15,413	13,586	432	13,665	12,126	3,708	65,856	54,087		73.3	81.7	12,218	(74)	–	–	–
Colorado & Southern	3 mos.	31,913	1,052	32,790	24,151	5,484	7,175	64	7,248	6,468	680	29,312	28,209		89.39	116.80	5,243	136	3,928	5,692	2,081
	12 mos.	123,295	2,881	126,176	87,681	28,063	25,700	242	26,748	21,578	2,821	121,457	96,274		96.26	109.80	19,039	6,662	6,841	21,161	10,869
Conrail	3 mos.	831,449	165,156	996,605	979,910	188,599	212,240	5,073	264,589	286,319	34,269	1,026,997	1,094,091		103.0	111.7	(45,030)	(129,949)	–	(45,383)	(130,296)
	12 mos.	3,153,584	648,006	3,801,342	3,770,466	771,483	857,418	20,224	1,060,022	1,105,146	138,762	4,152,532	4,251,386		109.2	112.8	(407,739)	(518,409)	348,656	(405,781)	(517,520)
Delaware & Hudson	3 mos.	24,785	1,726	26,512	26,478	6,452	5,312	155	6,721	8,509	720	28,848	28,855		108.8	101.3	(4,003)	(1,142)	–	(4,003)	(1,142)
	12 mos.	108,339	4,835	113,174	102,237	22,448	18,124	616	31,914	32,939	1,837	118,705	108,339		104.9	106.0	(9,226)	(8,666)	(5,440)	(9,226)	(8,666)
Denver & Rio Grande Western	3 mos.	77,936	1,126	79,063	67,732	12,235	11,452	617	11,462	10,262	2,914	63,461	56,742		80.26	83.77	14,177	9,889	12,217	10,758	7,677
	12 mos.	281,138	6,536	287,474	257,484	47,467	47,115	2,435	43,772	40,132	11,486	241,157	216,877		83.88	84.22	40,938	39,723	33,023	27,507	27,670
Detroit, Toledo & Ironton	3 mos.	19,855	653	20,508	20,822	3,340	3,129	186	4,981	6,464	472	20,167	20,511		98.3	98.5	57	150	352	(291)	158
	12 mos.	70,691	3,473	74,164	84,264	11,952	13,377	711	22,403	24,361	1,878	78,451	80,857		105.8	96.0	(4,932)	3,122	(4,022)	(5,062)	3,130
Duluth, Missabe & Iron Range	3 mos.	19,663	416	20,081	22,459	5,039	9,689	863	3,249	2,600	695	18,421	22,475		91.73	100.07	2,668	942	220	1,266	306
	12 mos.	89,105	3,714	92,819	96,809	24,302	28,172	3,580	9,627	11,111	2,756	73,732	79,556		79.43	82.17	22,704	19,527	8,234	11,793	9,498
Elgin, Joliet & Eastern	3 mos.	16,772	10,695	27,466	34,279	2,823	4,155	184	2,455	5,303	1,503	20,995	27,907		76.4	81.4	7,550	8,112	1,965	6,267	3,896
	12 mos.	67,627	42,305	109,931	145,843	13,536	16,132	730	14,083	23,423	5,388	93,795	112,909		85.3	77.4	23,579	38,395	4,493	15,061	19,987
Florida East Coast	3 mos.	27,798	628	28,426	22,989	7,012	5,362	244	4,514	3,641	1,115	24,893	17,885		87.5	77.8	7,687	13,612	666	4,822	9,683
	12 mos.	94,805	2,737	97,542	79,106	21,207	17,792	947	16,457	11,646	4,159	77,543	62,279		79.5	78.7	29,872	50,153	9,249	19,222	35,266
Ft. Worth & Denver	3 mos.	33,754	961	34,715	26,314	8,233	4,186	80	6,862	6,385	137	31,395	21,857		90.43	83.06	3,331	5,147	1,517	1,528	3,500
	12 mos.	133,256	3,779	137,035	93,227	24,469	13,702	295	32,211	22,066	533	117,625	76,153		85.83	81.66	19,728	18,064	11,996	12,314	14,138
Grand Trunk Western	3 mos.	50,103	3,331	53,434	53,569	7,088	5,219	419	9,968	11,642	1,414	50,591	51,123		94.7	95.4	2,183	3,100	4,169	3,505	–
	12 mos.	181,913	12,769	194,682	213,185	28,985	27,075	1,665	42,266	54,718	5,445	196,946	210,651		102.2	98.8	(5,213)	4,342	(7,144)	(966)	–

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Illinois Central Gulf	3 mos.	238,326	20,991	259,317	241,834	45,578	46,338	1,816	71,772	64,742	7,426	252,733	239,412	97.5	99.0	2,411	(4,073)	7,146	2,402	(3,768)
	12 mos.	891,388	81,878	973,266	883,296	185,990	168,731	6,897	269,295	241,295	29,135	983,089	883,146	101.0	103.5	(29,179)	(32,720)	(5,588)	(27,227)	(32,072)
Kansas City Southern	3 mos.	70,398	3,823	73,982	62,916	15,200	11,034	447	16,154	15,571	4,027	66,964	55,458	93.7	88.1	6,378	7,547	6,390	5,838	5,134
	12 mos.	280,995	16,163	277,158	221,415	53,308	41,632	2,231	63,634	52,598	14,291	244,320	197,120	88.2	89.0	30,999	23,466	25,563	23,587	17,806
Long Island	3 mos.	5,359	87,584	92,943	77,843	18,594	20,145	849	21,284	19,833	1,437	90,591	94,676	97.5	121.6	2,122	(15,777)	3,393	2,122	(15,777)
	12 mos.	20,260	333,442	353,703	301,386	72,847	74,178	3,386	79,701	73,040	5,429	367,545	338,791	103.9	112.5	(14,832)	(37,333)	-	(14,632)	(37,333)
Louisville & Nashville	3 mos.	272,593	6,477	279,040	268,697	48,431	43,293	1,863	62,009	55,462	9,501	257,484	250,637	92.3	93.9	14,388	17,941	27,661	19,270	15,712
	12 mos.	1,037,313	27,082	1,064,395	979,229	179,478	166,738	6,263	245,864	248,868	38,542	989,746	929,997	93.9	95.6	41,747	18,410	-	44,217	24,568
Missouri-Kansas-Texas	3 mos.	61,912	2,396	64,308	48,479	11,182	8,393	256	19,206	13,376	616	61,067	45,978	95.0	94.6	1,501	1,087	-	754	2,292
	12 mos.	210,552	10,365	220,917	166,087	36,528	30,728	958	65,239	47,117	2,943	210,521	163,189	95.3	98.3	3,598	(1,923)	10,601	3,351	4,467
Missouri Pacific	3 mos.	444,606	12,750	57,356	382,525	73,636	46,320	2,458	107,188	86,582	16,221	402,553	326,472	87.97	86.34	49,731	48,119	41,317	33,574	37,059
	12 mos.	1,639,857	50,638	1,690,495	1,418,727	253,395	211,503	9,758	385,586	325,169	61,887	1,479,904	1,234,979	87.54	87.04	179,725	152,976	163,987	123,388	110,027
Norfolk & Western	3 mos.	402,096	17,088	419,184	373,524	54,250	49,560	3,451	73,698	71,595	13,483	302,463	287,048	72.2	76.9	131,837	95,389	67,576	81,443	56,156
	12 mos.	1,504,475	55,059	1,559,534	1,430,884	245,073	213,351	13,381	284,902	261,433	53,415	1,214,913	1,124,510	77.9	78.6	382,817	328,589	199,089	232,416	197,610
Pittsburgh & Lake Erie	3 mos.	20,807	1,340	22,185	21,721	3,612	2,829	27	732	1,533	229	15,841	14,977	71.95	68.95	4,504	3,401	6,816	4,900	2,973
	12 mos.	78,410	5,327	83,536	78,956	13,436	11,353	90	6,070	6,129	1,502	64,150	58,095	78.79	73.57	8,076	15,490	18,711	7,366	11,280
St. Louis-San Francisco*	2 mos.	86,028	2,350	88,378	-	14,670	-	659	18,771	-	2,431	79,015	-	89.4	-	7,722	-	7,156	5,303	-
	12 mos.	453,871	13,783	467,654	-	76,923	-	3,396	103,869	-	12,992	420,765	-	90.0	-	36,179	-	-	37,606	25,602	-
St. Louis Southwestern	3 mos.	62,872	1,978	64,850	67,969	12,143	9,292	453	16,329	11,639	5,869	70,504	58,112	83.09	85.49	12,068	9,473	13,212	10,932	4,035
	12 mos.	286,863	5,196	303,059	261,102	48,407	40,313	1,525	53,870	42,367	24,306	266,356	218,195	87.65	83.56	30,901	44,121	31,539	24,933	36,777
Seaboard Coast Line	3 mos.	310,306	9,952	320,258	290,839	50,255	44,735	2,288	78,412	66,834	9,177	297,113	259,814	92.8	89.3	48,327	50,320	24,756	49,850	44,980
	12 mos.	1,179,678	40,452	1,220,130	1,049,747	195,874	175,837	8,919	287,047	246,790	35,535	1,111,386	952,484	91.1	90.7	182,220	129,977	-	175,369	128,069
Soo Line	3 mos.	81,685	2,018	83,702	86,779	17,569	13,610	556	15,207	15,199	1,767	68,349	67,165	81.7	77.4	15,428	19,477	10,091	10,041	12,019
	12 mos.	307,362	6,903	314,265	290,511	64,396	53,472	1,522	58,958	59,527	7,634	264,004	246,268	84.0	84.8	50,214	44,305	35,123	34,045	27,568
Southern	3 mos.	419,697	9,912	429,608	396,243	77,076	73,492	4,602	76,718	75,669	18,670	654,248	337,426	82.45	85.15	63,870	47,623	56,927	14,130	33,315
	12 mos.	1,597,451	40,261	1,637,712	1,467,270	282,032	269,072	18,849	294,805	271,477	72,527	1,345,526	1,208,917	82.15	82.39	263,896	223,117	214,312	180,918	160,622
Southern Pacific	3 mos.	516,047	15,539	531,585	500,617	71,982	64,300	4,902	128,783	135,899	21,958	506,013	494,383	95.18	96.71	41,455	17,576	45,028	60,869	8,941
	12 mos.	1,987,224	62,825	2,050,049	1,930,524	266,533	277,635	19,393	523,425	527,501	83,559	2,003,045	1,882,134	97.70	97.49	54,957	69,231	65,867	72,812	56,514
Union Pacific	3 mos.	526,562	7,872	534,434	473,771	87,645	68,019	2,881	105,021	88,546	24,488	464,083	401,044	86.8	84.6	58,585	60,855	-	40,666	45,868
	12 mos.	1,971,424	31,328	2,003,052	1,742,294	316,163	281,458	11,062	385,847	320,945	94,216	1,731,709	1,495,237	86.5	85.8	222,283	205,327	214,351	104,738	149,142
Western Maryland	3 mos.	23,044	1,129	24,173	21,800	5,768	3,219	165	4,714	1,316	1,818	24,099	14,146	99.7	84.9	(934)	7,446	-	307	4,886
	12 mos.	88,753	4,000	92,752	78,412	21,694	13,147	652	14,042	7,371	5,860	84,306	57,906	90.9	73.9	8,358	20,522	6,653	6,536	13,656
Western Pacific	3 mos.	48,208	820	49,028	43,730	6,602	5,956	87	10,770	9,276	1,610	46,705	41,844	95.7	95.7	3,402	2,791	1,608	2,876	2,480
	12 mos.	182,422	2,593	185,013	-	24,472	-	350	42,565	-	6,643	181,094	-	97.9	-	7,066	-	2,870	5,858	-

*New Springfield Region, Burlington Northern

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Market

CARLOADINGS

Loadings of revenue freight in the week ended May 30 totaled 361,900 cars, according to the Association of American Railroads. This was a decrease of 29, 984 cars, or 7.7%, compared with the corresponding week last year. Ton-miles generated by carloadings in the week ended May 30 are estimated at 15.3 billion, a decrease of 3.1% below the corresponding week of 1980. Both weeks included the Memorial Day Holiday. The decline was primarily attributable to the impact of the United Mine Workers' strike.

REVENUE FREIGHT CARLOADINGS

Commodity	May 30 week	May 23 week	May 16 week
Grain	19,853	20,886	21,081
Farm products	4,565	4,937	4,818
Metallic ores	38,855	38,528	35,668
Coal	62,083	64,642	62,534
Crushed stone, gravel & sand	12,697	14,149	14,131
Nonmetallic minerals	12,869	13,759	14,440
Grain mill products	12,555	14,100	14,343
Food and Kindred products	14,442	17,308	16,292
Primary forest products	16,891	19,216	20,006
Lumber and wood products (except furniture)	7,739	9,192	8,402
Pulp, paper and allied products	19,699	20,063	19,617
Chemicals and allied products	24,072	28,408	28,186
Petroleum products	4,642	5,419	5,364
Stone, clay & glass products	13,271	14,711	14,849
Coke	7,078	7,557	6,973
Metals and products	16,239	17,969	16,836
Motor vehicles & equipment	17,314	20,164	20,722
Waste & scrap materials	11,711	13,923	13,694
Forwarder & shipper assn. traffic	8,322	10,064	9,817
All other carloads	36,831	42,127	40,582
LCL traffic	172	205	235
Total Cars Loaded	**361,900**	**397,327**	**388,590**
Cumulative total,		1981	1980
22 weeks		**9,077,558**	**9,638,387**
Estimated revenue ton-miles (billions), 22 weeks		**380.2**	**388.1**

PIGGYBACK LOADINGS

U.S. piggyback loadings for the week ended May 23 totaled 34,319 cars (8.3% above the corresponding 1980 week) and 61,247 trailers or containers (up 6.1% from 1980). Cumulative volume for the first 21 weeks of 1981 is 675,430 (down 2.8% from 1980) and 1,226,863 trailers or containers (down 2.7% from 1980).

CANADIAN CARLOADINGS

Canadian railway revenue freight loaded in the seven-day period ended May 21 totaled 4.5 million tons (down 10.4% from 1980). Cars loaded totaled 55,109 (down 7.8% from 1980). Cumulative loadings for 1981 were up to 98.3 million tons (down 1.2% from 1980).

● *Massachusetts Bay Transportation Authority.*—Awarded a $6.2-million contract to Morrison-Knudsen's Railroad Division for rebuilding and conversion of 26 RDC cars to push/pull coaches, with option for 6 more RDC-3A and B cars.

● *New York City Transit Authority.*—Has extended by one month the deadline for receipt of bids on the supply of 225 to 325 R-62 rapid transit cars. Bids were originally due by 10 a.m. on June 30; the one-month extension was granted at the request of the Budd Co.

● *Washington Metropolitan Area Transit Authority.*—Awarded a contract totaling nearly $5 million to Cubic Western Data for modification of the system's automatic fare collection system. Cubic said it would incorporate its "product improvement package" into 309 two-way gates, 75 that allow entry only, and 75 that allow exit only. Cubic says it spent two years at its own expense to design and develop the improvement, "which guarantees WMATA a significant reliability enhancement on all equipment." Six gates At WMATA's Farragut West station served as test sites for the modification; they accommodate nearly 30,000 passengers a day and have achieved a reliability close to 100%, according to Cubic.

● *Freight cars and locomotives.*—The following report has been received from the AAR and the ARCI.

DELIVERED

	April 1981	April 1980	March 1981	Four months 1981	Four months 1980
Built new by carbuilders	3,792	7,546	4,718	17,975	30,555
Built new in RR shops	453	347	444	1,477	1,809
Built new—total	4,245	7,893	5,162	19,452	32,364
Rebuilt	125	181	136	446	607
TOTAL DELIVERED	**4,370**	**8,074**	**5,298**	**19,898**	**32,971**
Locomotives (new and rebuilt)	70	149	92	258	688

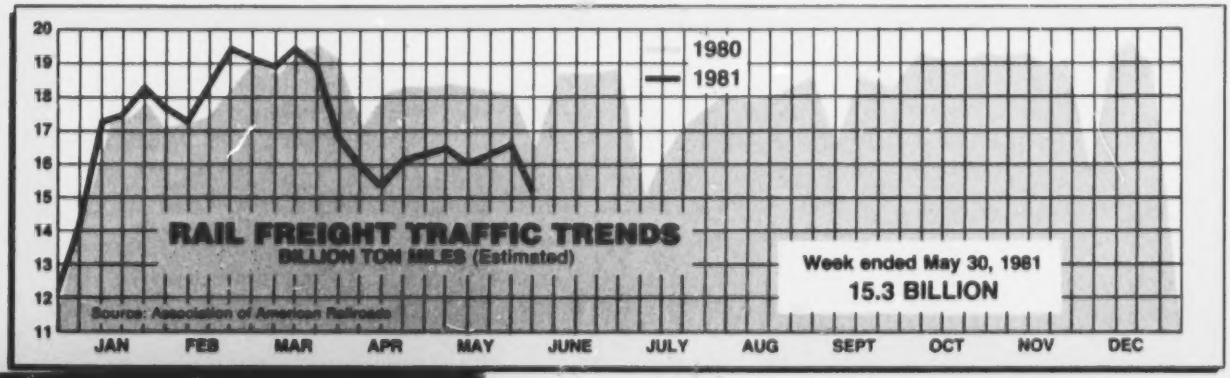
ORDERED

To be built new by carbuilders	1,737	2,851	1,559	8,202	15,908
To be built new in RR shops	25	1,015	0	25	1,015
To be built new—total	1,762	3,866	1,559	8,227	16,923
To be rebuilt	0	36	300	600	869
TOTAL ORDERED	**1,762**	**3,902**	**1,859**	**8,827**	**17,792**

ON ORDER AND UNDELIVERED

	May 1 1981	May 1 1980	April 1 1981	Average backlog 1981	Average backlog 1980
To be built new by carbuilders	35,920	84,847	38,059	39,849	98,708
To be built new in RR shops	3,052	5,458	3,480	3,672	5,358
To be built new—total	38,972	90,305	41,539	43,521	104,066
To be rebuilt	154	362	279	203	572
TOTAL ON ORDER	**39,126***	**90,667**	**41,818**	**43,724**	**104,638**
Locomotives (new and rebuilt)	341	1,083	411	437	1,194

*Due to revisions and cancellations of some orders, the May 1, 1981 backlog has been reduced by 84 cars.



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